Effect of Brand Extension on Brand Image: a Study in the Brazilian Context
Priscila Serrao, EBAPE-FGV, Brazil
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ABSTRACT
The article investigates the consequences of brand extension in the Brazilian context, analyzing how the variables relating to the parent brand (quality, similarity of categories, familiarity and customer attitude) influence brand image after extension, and the variation in customer’s interest in the original product category, before and after extension. Four hypotheses were tested through regression equations and two through mean comparisons. Results confirmed that the effects of the extension strategy are regardless of the product category under study and type of extension. Also, customer’s interest in the original product category proved to be affected negatively after extension.

INTRODUCTION
Competitive pressure has led companies to an ever increasing number of product launchings, and brand extensions eventually become an apparently reliable means to increase sales quickly and at a relatively low cost. As a reflection of this common corporate strategy, the studies on the relevance of brand extensions as a marketing strategy and their evaluation by the customer have multiplied in the international academic field (Aaker; Keller, 1990; Broniarczyk; Alba, 1994; John et al., 1998; Sheinin, 1998; Klink; Smith, 2001; Park; Kim, 2001; Hem et al., 2003). Nevertheless, the topic continues to be quite controversial, principally in relation to the effectiveness of this strategy.

This article investigates the consequences of brand extension (using a brand name established in one product category to be extended to another, Aaker, 1998) in the Brazilian context and discusses this marketing strategy from the customer’s viewpoint to assess its effects on the evaluation of the original brand image. It extends the study by Martinez; Chernatony (2004) analyzing how the variables relating to the parent brand (quality, similarity of categories, familiarity and customer attitude) influence brand image after extension. The results of two brands in two different categories are compared: mobiles and sandals. As an additional contribution to Martinez; Chernatony (2004), the article also analyzes interest in the original product category, before and after extension.

Brand extension differs from line extension in that the latter is placed in the same product category as the original brand (Farghular, 1989). Common line extension is, for example, when there are more yoghurt options of the same brand, offering alternative diet versions, sizes and flavours. The article specifically addresses brand extensions, but both line and brand extensions have brand elasticity (capacity for the brand to be extended, keeping its identity and positioning). Extension of both line and brand is, therefore, the strategy used to capitalise a name already installed in the customer’s mind (Wilensky, 2003). Despite the apparent simplicity when applying brand extensions, the disadvantages are by no means few, such as stagnation of the category demand (Quelch; Kenny, 2000), brand image dilution (Loken; John, 1993; John et al., 1998), detriment to the parent brand image by creating new associations or confusing current associations (Aaker, 1998; Aaker; Keller, 1990), among many other considerations.

Brand image refers to the set of associations linked to the brand in the customer’s mind. Customer perceptions of one brand reflect, therefore, associations of this brand present in the mind (Keller, 1993). The closer and better these associations, the higher the brand value. Brand image consists of functional and symbolic beliefs (Low; Lamb, 2000). For example, Volvo cars are considered the safest because they have specific technology for this, with its own characteristics, such as its test field, which is a worldwide benchmark in safety tests. However, Volvo reinforces this aspect by creating a “safest car” positioning through its communication, building an environment full of safety-related symbologies.

Brand image can be analyzed from two aspects: general brand image (GBI) relating to the brand name and its symbolic aspects, and product brand image (PBI), directly relating to physical attributes and the product’s functional, emotional and self-expression benefits (Martinez; Chernatony, 2004). The differentiation and specification between the characteristics of image and product are necessary because global measures of brand image or attitude cannot absorb the actual extent of the damage to the original brand by an unsuccessful brand extension (Loken; John, 1993). Brand and product image are the dependent variables on the model to be presented below. The studies and definitions under discussion are the basis for defining the following hypotheses of the article.

HYPOTHESES
According to John et al. (1998), extensions run the risk of diluting what the brand name means to the customers, especially in the case of extensions inconsistent with the brand image or that fail to meet the customer’s expectations. A number of other studies confirmed this position, ratifying that brand extensions can weaken the customer’s feelings and opinions about the brand name (Loken; John, 1993).

Brand extension can increase the main association of the product, strengthening instead of weakening the brand image (Pitta et al., 1995). Extensions can also strengthen specific brand associations: an extension in a category that shares the same benefit can strengthen this association with the brand name and, consequently, increase the values of the brand in the original product category (Broniarczyk et al., 1994). Therefore, an appropriate extension can cancel out such a dreaded dilution of the brand. Moreover, an extended brand can compensate for the lack of similarity in the new category through associations relating to its own benefits. Since there is no consensus on this topic, the first hypothesis is the following:

\[ H_1: \text{Choosing brand extension has a diluting effect (a) on the general brand image and (b) on the product image.} \]

Perceived brand quality is one of the brand equity assets (value given to a brand by the customers, in addition to the functional characteristics of a product), hence, a determining factor of the brand image. This is the customer’s decision based on intangible knowledge of quality, not necessarily based on specific attributes (Zeithaml, 1988). Very often the use of established brand names is a good way to reach quality perception (Aaker, 1998, p. 223; Zeithaml, 1988; Swaminathan et al., 2001), and this perception may take different forms for different types of industry. The IBM perceived quality has a different meaning than that of Nestlé. Perceived quality directly influences buying decisions, especially when a customer is motivated or capacitated to make a detailed analysis of the purchase. It may also sustain a premium price, increasing the brand’s profitability and its brand equity (Aaker, 1998, p. 20).
Swaminathan et al. (2001) found that, in the failure of brand extensions, there are potential reciprocal effects, namely, interference from the reputation of the parent brand in assessing brand extension and vice-versa. A brand with strong perceived quality rating can still be unaffected by failed extensions (Aaker, 1998). Provided that the parent brand’s degree of quality is maintained in the extensions, the higher the number of extended goods, the better the brand evaluation (Dacin; Smith, 1994). Hence H2:

**H2:** Perceived brand quality has a positive effect (a) on the general brand image after extension and (b) on the product image after extension.

Familiarity refers to brand knowledge in the customer’s mind (Campbell; Keller, 2003). Familiar brands are different from non-familiar brands according to the recall of a customer. Customers make different associations with familiar brands: whether for their own or family use, through friends or a contact in the press or advertising. Familiarity, especially when addressing goods with low involvement, can guide the buying decision. Where there is no motivation for deeper evaluation, this insight may be fundamental (Aaker, 1998, p.68).

If, on one hand, the role of familiarity in forming brand image is clear, its role on the other in the customer’s evaluation of extensions is still unclear. When there is a low degree of brand information, the customers trust in the brand’s quality and familiarity to make their evaluations (Keller, 1990). According to John et al. (1998), flagship products are less susceptible to the effects of diluting parent brand extension due to the customers’ widespread exposure, familiarity and experience with such goods. Variation in the measure of brand image may depend on brand familiarity (Low; Lamb, 2000) and customer reaction to an extension may be affected by customer familiarity with brand products (Klink; Smith, 2001). Hence H3 is:

**H3:** Customer brand familiarity has a positive effect (a) on the general brand image after extension and (b) on the product image after extension.

There is considerable evidence that category similarity (fit) is related to brand extension evaluation (Aaker; Keller, 1990; Boush; Loken, 1991; Keller; Aaker, 1992). Similarity between the categories (the original and extended) is an important condition in the customer’s evaluation of brand extensions. When they are very similar, customers more easily transfer parent brand attributes to the extended brand. However, they find that some factors, such as local environment and degree of customer knowledge about the parent brand, act as determining agents to expand or reduce the influence of similarity (Broniarczy; Alba, 1994).

A brand has greater elasticity when the new category is similar to the original (Aaker; Keller, 1990; Boush; Loken, 1991), but this relationship can be relative to the perception of brand prestige or functionality (Park; Kim, 2001). On the other hand, Broniarczyk; Alba (1994) showed that the attributes are the prime determining factor of brand elasticity and that they are not only restricted to prestige or functionality.

The importance of the fit for extension has two motives: the first is that perceived quality can be transferred more from one brand when the two classes of goods are consistent with each other; the second is because a poor fit not only weakens the transfer of positive associations but also may encourage undesired associations and opinions. When the fit is low, the customer can question the company’s skill in making a good new product, and if it is confusing, the customer may ridicule the extension (Aaker; Keller, 1990).

If, on one hand, fit is required in an extension, extremely easy extensions may be less accepted by the customer (Aaker; Keller, 1990), or because the extension would not justify the price charged or because it would be inconsistent to apply a quality name to such a trivial product class (Aaker; Keller, 1990). Moreover, Dacin and Smith (1994) found that successive extensions, successful in a number of categories, can reduce the effect of the fit in the next extensions (the consumer would understand that everything that the company does, it does it well). More recently, Klink; Smith (2001) observed that effects of the fit are less than expected, consequently giving more flexibility to the brands. This would explain to them why brands such as General Electric are in such a variety of goods, such as a light bulb and a reactor, or Yamaha in motorbikes and tennis rackets. Hence H4:

**H4:** The similarity perceived by the customer has a positive effect (a) on the general brand image after the extension and (b) on the product images after extension.

Attitude [predisposition in assessing an object or product positively or negatively] towards brands is important because it is the basis of the brand choosing process (Keller, 1993). Brand attitudes form a model defined as the sum of customer opinions about a product or service, multiplied by the strength of the evaluation of each of these opinions. An important implication of this model is that many positively assessed opinions can be defeated by a few strongly negative opinions (Pitta et al., 1995). For example, if a customer tries a diet juice and likes the taste, it can be evaluated as positive due to these two attributes (low calories and taste), but, depending on the type of sweetener used, it may be evaluated as a health hazard and the product is rejected.

Customer attitudes towards brand extension alter associations with the parent brand. Faircloth et al. (2001) found that the attitude towards the brand has a direct effect on brand image and indirect effect on brand equity. Zimmer; Bhat (2004), through four experiments, evidence that an extension enhances the attitude toward the parent brand or keeps it intact, regardless of the variation in quality and fit of the extension. Therefore, H5 is:

**H5:** Customer attitudes towards extension will have a positive effect (a) on the general brand image after extension and (b) on the product image after extension.

One of the benefits of brand extension is that a large variety of associations with the parent brand can be potentially transferred to the extensions, more easily making positive associations with the new product. One of the various possible brand associations can be with a product category. Brahma, Chevrolet and Levi’s are brands that definitively have a close association with the product category to which they belong. The product category of the original brand, especially a familiar one such as beer or a car, can itself have a set of associations attached to the extension. The impact of these associations, highly valued in the original product category, may not be positive in the context of the new product category (Aaker; Keller, 1990).

A phenomenon that may occur with extensions is that customers deduce about extension attributes that did not exist in the extended category before. Thus, an extended brand may contribute to a new attribute for this category, until then non-existent, due to its inclusion in this category with its key attribute. For example, dental cream, when included in the category of candies or chewing
gum, may introduce the attribute of dental protection into this category (Broniarczyk; Alba, 1994).

This means that brand extensions influence associations of new categories either positively or negatively. Should these associations be positive, they will certainly strengthen the pre-existing associations in the original category. But, if negative, does the new extension affect the customer’s first associations about this product category? Starting with the premise that brand associations differ between brands and product categories (Low; Lamb, 2000) and that brand extensions can have diluting effects on the brands (Loken; John, 1993), the hypothesis considers that these same effects could be extended to the original product category, with a diluting effect of its specific associations. Hence H6:

\[ H_6: \text{The option of brand extension has a diluting effect on the interest for the original product category.} \]

**METHOD**

The empirical study included analysis of secondary data and qualitative and quantitative stages. The secondary data was used to identify major media advertisers directed at the 25–40 age group belonging to classes A and B (according to the Brazilian rating criterion adopted by the National Association of Research Companies) to obtain a list of advertised products and most relevant brands for this public. From those data mobiles and sandals were found to be two of the most representative categories.

The qualitative stage consisted of a focus group and in-depth interviews. The first was used to define the most similar extension categories to mobiles and sandals. It was held in April 2005, consisting of eight university students living in the city of Rio de Janeiro. The best known brands were presented followed by better and lesser known brand extensions. The interviewees were asked to give their perceptions and reasons why they would consume the brands that are known brand extensions, and suggest other possible brand extensions. Accordingly it was possible to evaluate whether the hypotheses presented made sense among the population of interest, and also produced useful information to structure the protocol for the in-depth interview.

In-depth interviews were performed to gather the most identified characteristics in these brands, competitive brands and possible extension categories. Fifteen Rio de Janeiro dwellers were interviewed. The characteristics identified at this stage of the research were:

a) **Associations**: the students described attributes or feelings associated with the product categories (mobiles and sandals), obtaining more than 50 associations, many with the same concept. The associations were grouped by two advertising agents-brand image specialists-and the result was a list of four associations, later used in the survey.

b) **Quality and familiarity**: four brands were identified for each category (those with most recall in the focus group). In a free association, the interviewees indicated the best perceived quality goods in each of the main brands of the two categories and indicated the degree of familiarity with such brands. Nokia and Havaianas brands were chosen for mobiles and sandals, respectively.

c) **Extension choice**: the interviewees informed about the degree of similarity of a series of eight products with the two brands under study. The products in the questionnaire were obligatorily different from those sold under the brands researched.

d) **Elasticity**: the interviewees were asked what other products the companies of the brands under study could launch. The answers gave an idea of the brand’s elasticity and type of product that might be proposed.

The next stage was the quantitative study through a cross-section survey. The measurements and indicators of each variable were the same as in Martinez; Chernatony (2004), considering adaptations to the Portuguese language and comments on the pre-test of the questionnaire. All Likert scales used with five response categories ranging from “I fully disagree” to “I agree fully” were:

a) **Perceived quality** (QUA): adapted from Park and Kim (2001) on customer-brand relations, measured by quality levels with the product and brand.

b) **Brand familiarity** (FAM): adapted from Dawar (1996), in which the measurements reflect the degree of brand knowledge, buying frequency and product knowledge.

c) **Similarity of categories** (FIT): adapted from Park and Kim (1991), which measured the fit between the extended product and original brand products, and the fit between the extended product and parent brand image.

d) **Brand attitude** (ATT): adapted from Klink and Smith (2001), is related to the favourable perception of the new product and possible purchase of the new product.

e) **Brand image** (GBI and PBI): was applied in two ways, as in Martinez and Chernatony (2004), by investigating the general brand image (GBI), and product image (PBI). GBI was measured by adapting Aaker’s (1996) original scale items, which measured brand preference, its personality, cost-value, brand interest and its differentiation in relation to competition. PBI was measured for four attributes or feelings associated with products under study, deriving from the qualitative stage of the study: mobiles (practical, durable, give status and are used by cool people) and sandals: (resistant, comfortable, practical and attractive). The two measurements were made before (GBII, PBI1) and after extension (GBII2, PBI2).

f) **Interest in category** (CAT): adapted from Beatty and Talpade (1994) (apud Bruner et al, 2001, p. 328), with indicators referring to the interest, importance and enjoyment of the subject.

Some variables not considered herein above may influence customer evaluation on brand extensions. An attempt, therefore, was made to reduce its effect to a minimum by checking its existence in the qualitative part of the study and obtaining the sample. Such variables are: customer knowledge of the new product category (Broniarczyk; Alba, 1994), parent brand category time of existence (Aaker, 1998), brand acknowledgement (Aaker; Keller, 1990) and customer’s parent brand knowledge (Broniarczyk; Alba, 1994).

Four groups of questionnaires were prepared with analogue questions so that each one had a brand and extension category: Nike and trainers, Nike and watch, Havaianas and T-shirt, Havaianas and mobile. The extensions were labelled as in Figure 1. Questionnaires
were delivered by electronic mail or by hand in September and October 2005. Eight of the 35 questions had their meaning inverted to balance the number of positive and negative answers in relation to the brand and reduce to a minimum the effect of an answering trend. The sample consisted of 192 respondents. Each received two questionnaires (the total number of questionnaires answered was, therefore, 384) with two different brands and extensions close to or very far from the parent brand. Each questionnaire group is called herein a sub-sample (totalling, therefore, four sub-samples). This similarity of extensions was necessary to prevent biased interpretation (if the individual was very resistant to extensions, the effect in the two brands would be the same). Since the purpose here is to analyze how the variables relating to the parent brand and extension (quality, similarity of categories, familiarity and customer attitude) influence the brand image after extension, two regression equations for testing the $H_2$ to $H_5$ hypotheses are:

$$Y_M = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

$$Y_P = \beta_0 + \beta_3 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

where: $Y_M$=general brand image after extension; $Y_P$=product image after extension; $X_1$=perceived quality; $X_2$=customer's brand familiarity; $X_3$=similarity perceived by customer; $X_4$=customer attitude towards brand. The average values of the items in the scales were used for each variable (common in brand extension studies, as in Aaker, 1990, and Martinez; Chernatony, 2004) and hypotheses $H_2$ to $H_5$ were tested based on the significance of $\beta_1$ to $\beta_4$, respectively.

To test $H_1$ t test was used for mean comparison for GBI1-GBI2 and PBI1-PBI2 (average values of the pairs in each sub-sample and in the total sample were identified). The same procedure was adopted for testing $H_6$, in which the equality of the averages of CAT1 (before extension) and CAT2 (after extension) was tested.

RESULTS

The sample had a male predominance (53%) in the 26-35 age group (41.5%), with a monthly average income of R$ 3,000 to R$6,000. The marital status was equally distributed between single (49%) and married (47%). All scales to measure the variables resulted in an acceptable level of internal consistence between the four sub-samples and in the total sample (sum of the four sub-samples), since the lowest Cronbach’s alpha value was 0.61, except for the FIT variable.

Testing $H_1$ means testing whether the option for brand extension had a diluting effect on the brand, consisting of a general brand image ($H_{1a}$) and product image ($H_{1b}$). Table 1 shows that there is a difference in the final average values of both pairs (PBI1/GBI1), in each of the four sub-samples, which demonstrates that brand image is affected by the extension strategy. Since average values after extension are always lower than the initial values, there is evidence that the extension strategy has a diluting effect on both the general brand image and product image (significant at 95% for all brands and categories using test t, except for NOKTEN-GBI, which was 90%).

Therefore, considering the t values, the hypothesis that the brand extension strategy has a diluting effect on brand image is not rejected, whether it is general brand or product image. This is also regardless of the product category and type of extension—if it is more discreet (more similar categories) or more daring (very different categories).

Hypothesis $H_6$ refers to brand extension having a diluting effect on the interest in the original product category. Table 1 shows that there is considerable difference in the averages of CAT1 and CAT2 values, in the total sample in each sub-sample, except for HAVCEL. Since the average values after the extension are always smaller than the initial values, there is evidence that there is a diluting effect in the interest of the original product category, although not for all extensions.

Hypotheses $H_2$ to $H_5$ were tested using the multiple linear regression method and only the overall sample (384 questionnaires answered by 192 people). Although each element has answered two questionnaires at the same time, no one answered the same questionnaire twice, and does not invalidate the process (use of information grouped in a regression is common in extension studies, as in Martinez; Chernatony, 2004; Aaker, 1990; and Dacin; Smith, 1994). Table 2 shows the coefficients of each regression equation. From Table 2, the $R^2$ values are low (0.342 for GBI1 and 0.289 for PBI2) but close to those found in Martinez and Chernatony (2004) (0.425 for GBI1 and 0.333 for PBI2), showing that less than 35% of the variation in the dependent variable (general brand image after extension and product image after extension) is explained by the independent variables.

All $H_2$ to $H_5$ hypotheses are not rejected at the 95% level of probability, except $H_{4b}$ (showing that the similarity between the original and extended categories did not have a positive effect on the product image after extension).
Effect of Brand Extension on Brand Image: A Study in the Brazilian Context

FINAL REMARKS

The study herein demonstrated that the brand extension strategy may be detrimental to brand image, causing a diluting effect on brand associations in the customer’s mind. The quality perceived by the customer in relation to the original brand, customer familiarity with the parent brand and the customer’s attitude towards this brand may contribute favourably to the final brand image after extension, whether it is the general brand or product image. Also, the fit between the original and extended product category may benefit the general brand image after extension, but not the product image.

The results also showed that the customer’s interest in the original product category can be affected negatively after extension, showing that the diluting effect of extension spreads not only to the extended brand but to its entire category. It is evident that an unsuccessful brand extension of a single brand individually would be unable to harm an entire category, principally when addressing a rising category, such as mobiles. However, it is necessary to be aware of the action of brand extensions in decadent categories, for example. It is possible that this unsuccessful extension harms future launchings in this category, but to state this, more studies on the subject would have to be done on samples representing the population of interest.

The results found for hypotheses H2 to H5 do not differ much from the category under study or type of extension (if narrower or more daring), which leads to the conclusion that its effects are the same, regardless of these criteria. When comparing the results of this study with those obtained by Martinez; Chernatony (2004), it

| Table 1 | Test of H1a, H1b and H6 hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>GBI1 t values</th>
<th>PBI1 t values</th>
<th>CAT1 t values</th>
<th>GBI2 t values</th>
<th>PBI2 t values</th>
<th>CAT2 t values</th>
<th>Result</th>
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<td>H1a (GBI)</td>
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</tr>
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<td>0.387</td>
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<td>Not rejected</td>
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<tr>
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<td>FAM</td>
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<td>-0.215</td>
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<td></td>
<td></td>
<td></td>
<td>Not rejected</td>
</tr>
<tr>
<td>H3b</td>
<td>FAM</td>
<td></td>
<td></td>
<td></td>
<td>-3.720</td>
<td>-0.178</td>
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<td>Not rejected</td>
</tr>
<tr>
<td>H4a</td>
<td>FIT</td>
<td>2.045</td>
<td>0.107</td>
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<td>Not rejected</td>
</tr>
<tr>
<td>H4b</td>
<td>FIT</td>
<td></td>
<td></td>
<td></td>
<td>0.436</td>
<td>0.024</td>
<td></td>
<td>Rejected</td>
</tr>
<tr>
<td>H5a</td>
<td>ATT</td>
<td>4.917</td>
<td>0.259</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not rejected</td>
</tr>
<tr>
<td>H5b</td>
<td>ATT</td>
<td></td>
<td></td>
<td></td>
<td>2.817</td>
<td>0.154</td>
<td></td>
<td>Not rejected</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.342</td>
<td>0.289</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fcalc’d</td>
<td></td>
<td>49.371</td>
<td>38.678</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Perceived quality (QUA); Brand familiarity (FAM); Similarity of categories (FIT); Attitude to brand (ATT).

| Table 2 | Coefficients of linear regression model (testing hypotheses H2 to H5)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>GB12 t values</th>
<th>GB12 β values</th>
<th>PB12 t values</th>
<th>PB12 β values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
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<td>H2a</td>
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<td>0.305</td>
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</table>
is noticeable that both studies showed that the effects of the extension strategy were regardless of the product category under study and type of extension.

No significant differences were found in the results regarding the type of extended category, nor type of extension. On the other hand, considering the current era of globalisation, managers must be aware of the consequences of global brand extensions, since they may have the same but not necessarily positive effects in different parts of the world. The result of brand dilution after extension has a direct effect on brand equity, which may affect future strategies (Hawkins et al., 1998).

This article corroborates the power of brand image dilution, but many studies are still required to confirm these results and other questions are also raised about this strategy. The former refers to the reversibility of its results. Would it be possible, with the support of advertising and further explanation about the extended product, to reverse the decline in brand image? Could extension have its effect reduced to the minimum in the long run? These are questions that show that the final result of this study is not definitive and that there may be alternatives for decision makers, besides merely eliminating the brand extension strategy.

The fact that an extension may impair the interest in the category, discussed herein, may indicate that professionals must also be alert to poorly done extensions on brands originating from categories in decline, since the effect may also be detrimental not only to the brand but also to the overall category, curbing its possible future launchings.

The restraints herein derive first from the nature of the method adopted, restricting its external validity. Factors such as reduced information about extended brands, difference between the customer profile and single customer exposure to the extended brand are some of the limitation (Klink; Smith, 2001). Although the brands under study were real, their extensions were fictitious, presented in an artificial environment (the respondent would have to imagine the extension).

Future studies may consider the impact of extension on the customer’s choice, evaluating the effects of extension on the sales of that brand and its products, both in traditional and online shopping. The relation between extension and advertising should be made clearer in order to define the possibility of reversing the decline in brand image, besides the long term effects of extension. In relation to the decline in interest in the product category, it should be investigated whether this result was not affected by the fact that both brands under study are closely identified with their own category (Aaker; Keller, 1990). Studies with more elastic goods, which already have their own identity in other product categories, could achieve a different result. There are many other possible studies on brand extension in Brazil, so that its results can provide a more thorough analysis of the effects of this strategy for brand equity.

REFERENCES